

Date: 18 May 2005

To: Labour

From: Stan Greenberg
Jeremy Rosner

RE: LEARNING FROM THE MARGINALS – NEW AUDIENCES GOING FORWARD
Second report on the 2005 Labour campaign

In the first memo, we tried to explain the distinct patterns in the 2005 election, seen through the rich mosaic of the different types of seats across Britain. The focus was on Labour's 36 percent and understanding the forces that brought us down from 42 percent, without a revival of turnout. As we said last time, we believe – without remaking the electorate or rewriting history – it was possible to get a better result and majority. While this memo will underscore what was missed, it uses that analysis to outline the potential new targets for the New Labour project.

We propose to learn from the marginals because that is where we took our losses but also where there are new vulnerabilities, new dynamics and new targets, as we mentioned in the previous note.

The national polling is less interesting because it did not produce any great surprises. Our daily re-analysis of Populus tracking, focused on our model of likely voters, showed the Labour vote hovering around 37 percent for virtually the entire campaign period. In Britain, Labour got 36.3 percent. The least surprising event of the night was the shift to the Liberal Democrats, who got 22.5 percent, which is precisely where the private and public polling put them. And all the polls showed the Tories unable to get above their 2001 vote, though we presumed they will consolidate their traditional vote at the end.

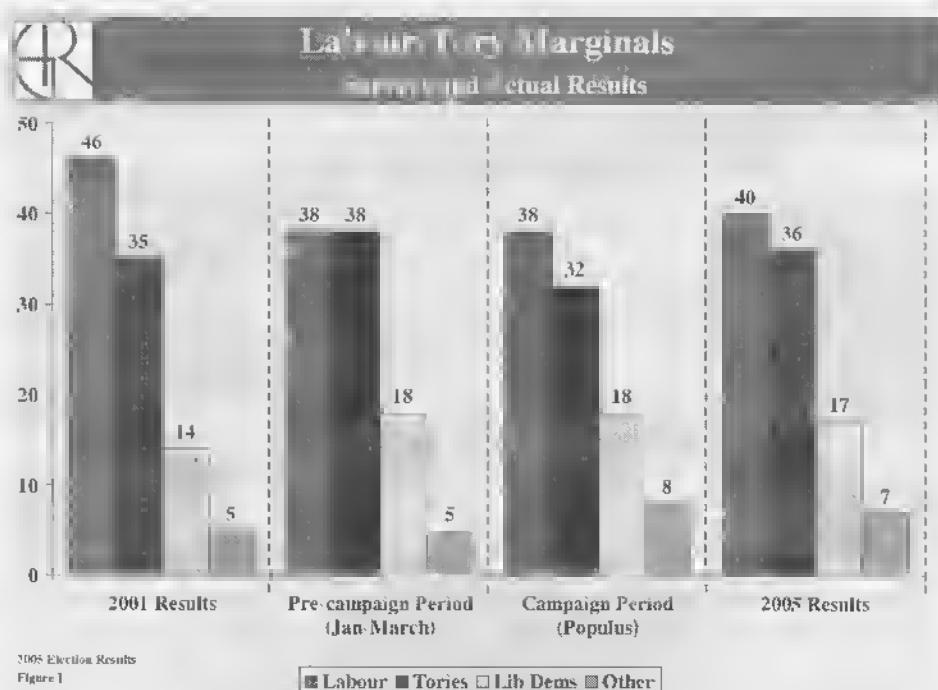
But the marginals produced a lot of surprises and a disappointing result. That is where the campaign had to be intently focused to get the most seats possible.

The Marginals: what we knew

At Alan Milburn's strong urging, the campaign developed a research program centered on the marginals, where the ultimate majority would be litigated. We delved deeply into our Labour data base and Greg Cook's mosaic-enriched constituency descriptions and conducted extensive surveys until March to create a workable clustering of the key seats. This had never been done before, but the campaign had decided to emulate the U.S. presidential campaigns that centered their work on the "battleground states" and winning an Electoral College majority. It al-

lowed the campaign to focus on four distinct types of Labour-Tory marginals, as well as the competitive Labour-Lib Dem seats and the “safe” Urban Educated and London Diversity seats which were not so safe.

On the eve of the government dissolving the parliament in late March, we presented the full analysis, which was sobering. Overall, it showed Labour and Conservatives tied in the Labour-Tory marginals, with Labour’s vote down 8 points from 2001. Dangerously, the Liberal Democrats were at 18 percent, 4 points above their previous performance. More importantly, it showed an unevenness, with particular problems in the Southeast Middle Class and London Upscale seats, which could leave Labour with a 50 to 75 seat majority. (At the same time, the campaign’s national polls was reporting a 10 point Labour lead with likely voters, 7 points with the most definite.)

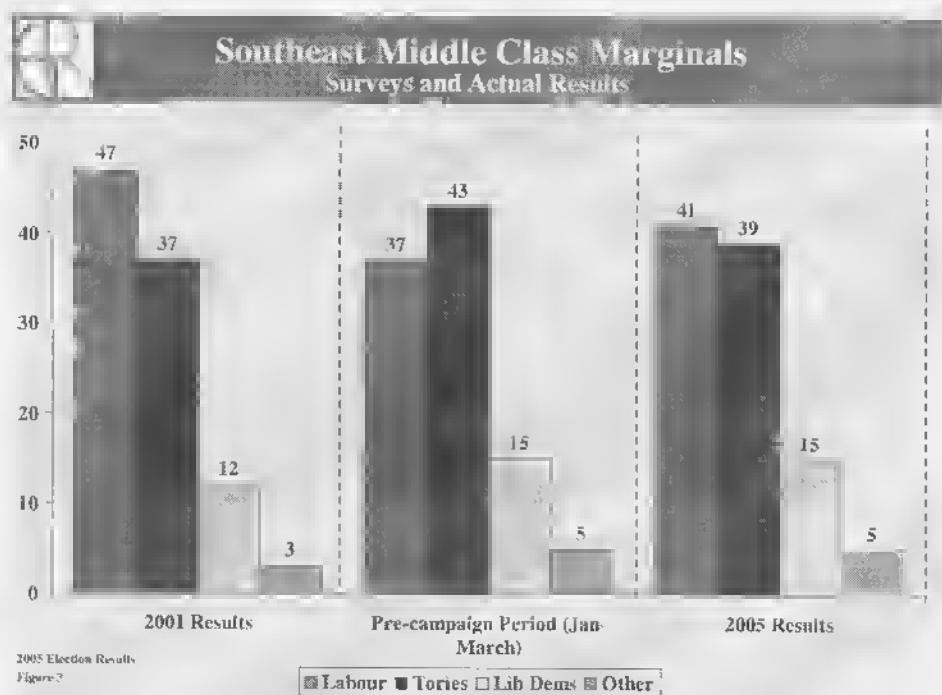


Labour did make gains in the first week of the campaign, as Tony and Gordon campaigned together, focused strongly on the economy. The Conservatives had trouble making further gains. However, that still left Labour short on May 5th, as its vote in the marginals was off 6 points from four years earlier and the Liberal Democrats held their increased support to the end.

And in the end, distinct dynamics in the different types of marginals reduced our majority further.¹

There were two distinct major problem areas – Southeast Middle Class and London Up-scale – and one area – the Older Rural Working Class – where Labour seemed to be on more solid ground.

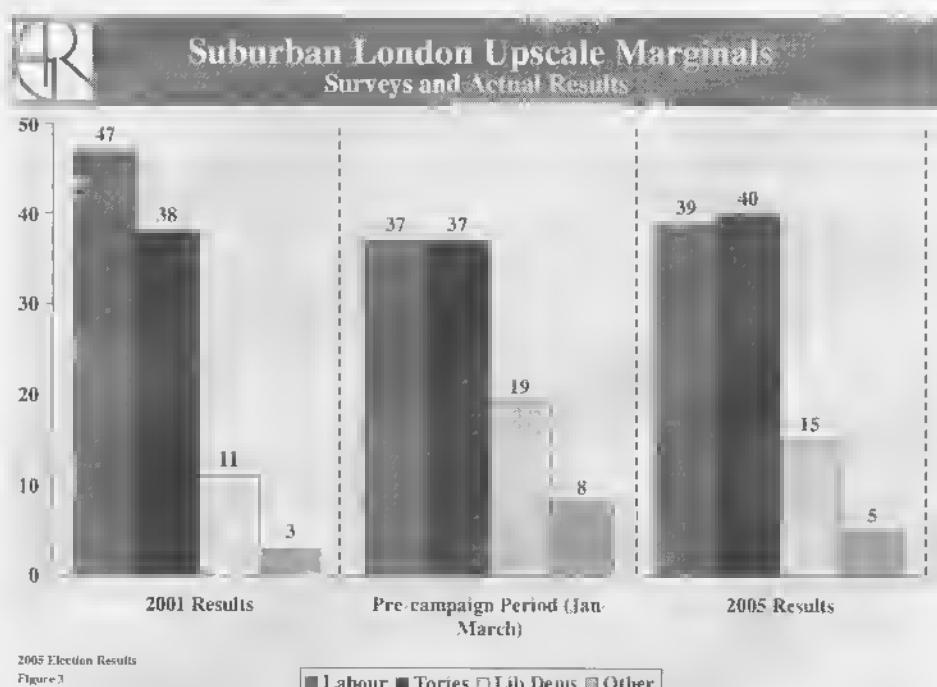
The Southeast Middle Class Marginals. From the outset, this was the biggest problem area where we were at risk of losing many seats. It meant speaking to many older voters and pensioners and voters consumed with immigration. Labour had won big here in 2001, defeating the Tories by 10 points and squeezing the LibDem vote down to 12 percent. But the pre-campaign marginals survey had us in deep trouble, with Labour's vote down 10 points from 2001 and the Liberal Democrats up to 15 percent. In the end, Labour fell 6 points from 2001, the Conservatives gained 2 and the Liberal Democrats, up 3 points. That combination took down many incumbent Labour MPs.



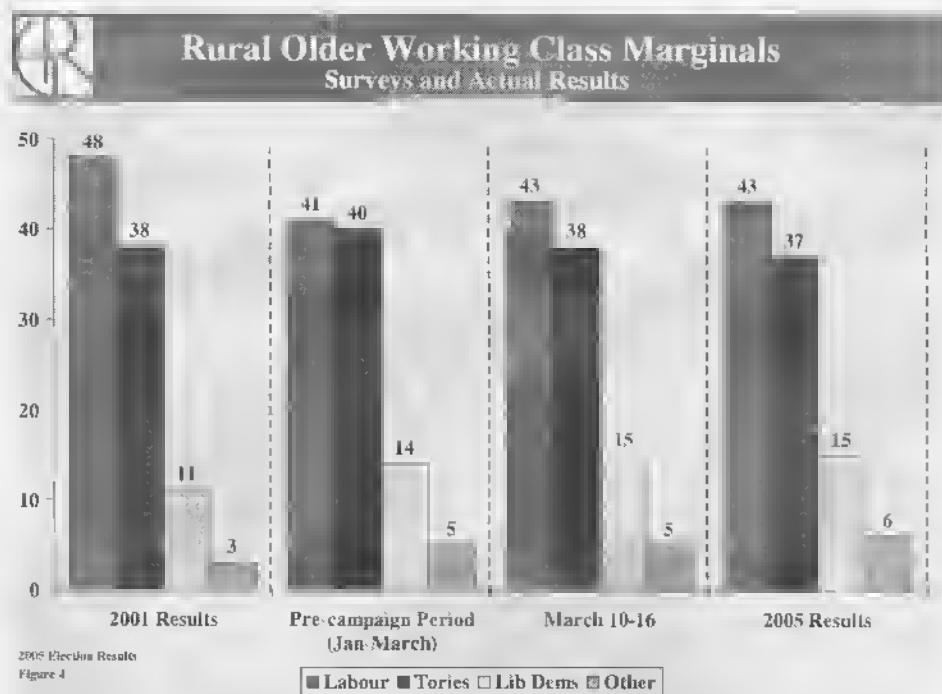
¹ The graphs here present the 2001 actual results, the combined survey results for the pre-campaign period, the marginals during the campaign (created after the election from the combined Populus surveys), and the actual results on May 5th in the Labour-Tory marginals.

The Suburban London Upscale. We lost a lot of seats in suburban London – the one area where Labour's vote was squeezed by a dramatic 8-point drop in Labour support, real gains for the Tories, up 2 points, while the Liberal Democrats would raise their vote share 4 points. That pattern cost us 8 of the 16 marginals in our top target list.

Sadly, this pattern and exposure was evident in the pre-campaign marginals surveys, illustrated below:



The Rural Older Working Class Marginals. We lost only three seats in the Rural Older Working Class marginals, where there was some initial concern. But the last of our pre-campaign polls (and the Populus polls during the campaign) indicated that Labour had momentum and the Conservatives and Liberal Democrats were slipping with these working class voters. The pre-campaign poll almost exactly replicated the outcome. The dynamic here – distinct from the other types of marginals – enabled Labour to hold most of its marginal seats in the Rural Older Working Class marginals.



The Urban Educated and London Diversity “safe” seats. As noted in the first memo, Labour's biggest drop in support came among the Urban Educated and London Diversity seats, with a large proportion going to the Liberal Democrats (and the Tories slipping out of sight). That turned many of these safe seats into Labour-LibDem marginals, with Labour losing four of them on May 5th.

The scale of the problem was set out in our end-of-year assessment of all the segmentations, both safe and marginal. Alarmingly, we showed Labour down 20 points from its 2001 performance in the *Urban Educated* segment of seats; it was down 27 points in the *London Diversity* seats. In both case, the Conservatives had fallen, while the Liberal Democrats surged into the mid-20s. The segmentation was clearly a window into another distinct dynamic that would cost Labour seats.

Blind in the Marginals

Inexplicably, the campaign decided to end further polling in the marginals at the end of March as the campaign was launched. Apart from a web-based panel of the undecided, all the polling available to the campaign tracked national trends, allowing a look back at the marginals only after the election results were in. That left the campaign blind to the emerging and distinct trends in the marginals that reduced our majority.



The shift exclusively to national polling meant the campaign was disarmed when it came to strategizing for these key target areas. Penn's national polls never reported results for the marginals or how to reach these segments. Only after we raised the alarm with Gordon did the campaign conduct an urgent and, as it turned out, erratic survey in the final week. It confirmed the problem of the Southeast Middle Class marginals, but said, wrongly, that the Suburban London Upscale seats were fine and that the Rural Older Working Class seats were lost.

Going forward we should resolve to be alert to these distinct areas and bring them into our overall strategic thinking.

New Audiences Going Forward

To maximize our vote in 2005, we needed to create first, a national dynamic that brought more Labour voters home, and second, relentlessly address the voters in these distinct areas to get the most votes out of these very competitive seats.

On the first, the Labour campaign needed a powerful rationale and choice, which it did articulate with increasing consistency during the final week and days of the race. In Sedgefield, Tony declared simply and powerfully: "It is a choice of values. Our belief in representing the interests of the many, the hard working families which are the backbone of Britain. Their belief in furthering the interests of the few, those at the top." He centered that choice on the economy, where Labour offered stability for hardworking Britain, while the Tories put their living standards at risk. He committed to "accelerate the change" in education, health and immigration controls that opened people to the promise of a 3rd term.

On the second, however, Labour has yet to accommodate this new reality in thinking about the audiences for the New Labour project.

After the 1997 victory, the Labour efforts focused relentlessly on the Tory defectors – the new Labour voters who had made New Labour's victory possible. Keeping those voters – successfully as it turned out – was critical to our holding so many seats in 2001. In the last year or so, Labour has moved to address a different challenge – the traditional Labour supporters and 2001 Labour voters who had grown disaffected and were not now voting Labour. These "Labour defectors" was properly our target as we sought to regain our lost support.

The distinct dynamics and political culture of these segments of marginals should be at the center of our targeting. That defines the audiences for our work as we seek to hold and expand our majority.

- *Suburban London Upscale.* We took our biggest losses here probably because of discontent on delivery, taxes, immigration, crime and Iraq, along with some evidence of Tory traction on their attacks. particularly tax, crime and waste. We need



to reclaim our former suburban voters and forestall the rise of the Tories. That means our audience includes 1) former suburban supporters, and 2) Tory receptive voters.

- *Southeast Middle Class.* This is a very different political culture from the Greater London suburbs, with much greater sense of grievance, anger with crime and immigration, and distrust of Europe. To be honest, we have so much more to do to get these voters in our head. I wonder whether we have to focus more broadly on those open to Labour (intrigued by current agenda), wherever their political roots.
- *Urban Educated and London Diversity.* We should not take for granted that the mass defection to the Liberal Democrats will reverse itself with the election behind us. We have an interest in winning back lost seats but also in raising the Labour vote and turnout. With these voters as an audience too, we will have a balanced set of audiences for the strategic thinking ahead.

What we propose is that the government and party have these audiences in our heads as we evaluate our progress and develop a road map for this session of the parliament – leading voters to fresh assessments about Labour.